2010 - 2011
Financial Statements

CARLTON TRAIL
REGIONAL COLLEGE

CARLTON TRAIL REGIONAL COLLEGE
FINANCIAL STATEMENTS
JUNE 30, 2011

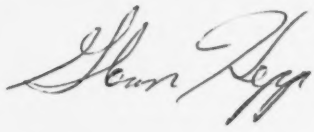
Letter of Transmittal

Honourable Rob Norris
Minister of Advanced Education, Employment and Immigration
Room 208, Legislative Building
Regina, SK S4S 0B3

Your Honour,

I have the honour to submit, for your consideration, the Financial Statements of Carlton Trail Regional College for the year ending June 30, 2011.

Respectfully submitted,



Glenn Hepp
Board Chairperson
Carlton Trail Regional College

INDEPENDENT AUDITOR'S REPORT

To the Board
Carlton Trail Regional College

We have audited the accompanying financial statements of Carlton Trail Regional College, which comprise the statement of financial position as at June 30, 2011, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Carlton Trail Regional College as at June 30, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

E.C. Dudley & Co.

Wynyard, Saskatchewan
October 17, 2011

E.C. DUDLEY & CO.
Chartered Accountants

CARLTON TRAIL REGIONAL COLLEGE
Statement of Management Responsibility

The College is responsible for the preparation of the financial statements and has prepared them in accordance with Canadian generally accepted accounting principles and in accordance with the guidelines developed by Saskatchewan Advanced Education and Immigration. The College believes the financial statements present fairly the College's financial position as at June 30, 2011 and the results of its operations for the year then ended.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, the College has developed and maintains a system of internal control designed to provide reasonable assurance that College assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of financial statements.

The Board of Directors is responsible for the review of the financial statements. The Board meets with management and, as required, with the external auditors to discuss the results of audit examinations and financial reporting matters. The external auditors have full access to the Board with and without the presence of management.

The financial statements for the year ended June 30, 2011 have been reported on by E. J. C. Dudley & Co. The Auditor's Report outlines the scope of his examination and provides his opinion on the fairness of presentation of the information in the financial statements.

CEO

Director of Finance

Statement 1

Carlton Trail Regional College
Statement of Financial Position
as at June 30, 2011

	2011			2010
	Operating Fund	Capital Fund	Total	Total
Assets				
Current Assets				
Cash	$ 1,280,875	$ 481,695	$ 1,762,570	$ 1,866,733
Accounts receivable (Note 3)	444,898	-	444,898	387,105
Inventories	17,120	-	17,120	20,015
Prepaid expenses	33,041	-	33,041	20,667
	1,775,934	481,695	2,257,629	2,294,520
Non-current Assets				
Capital assets (Note 4)	-	5,034,890	5,034,890	4,937,634
	$ 1,775,934	$ 5,516,585	$ 7,292,519	$ 7,232,154
Liabilities				
Current Liabilities				
Accrued salaries and benefits	$ 183,419	$ -	$ 183,419	$ 204,226
Accounts payable and accrued liabilities (Note 6)	315,135	-	315,135	220,818
Unearned revenue (Note 7)	592,677	-	592,677	718,743
	1,091,231	-	1,091,231	1,143,787
Net Assets				
Invested in capital assets	-	5,034,890	5,034,890	4,937,634
Restricted (Statement 3)	-	481,695	481,695	579,531
Unrestricted	684,703	-	684,703	571,202
	684,703	5,516,585	6,201,288	6,088,367
	$ 1,775,934	$ 5,516,585	$ 7,292,519	$ 7,232,154

The accompanying notes form an integral part of these financial statements.

APPROVED BY THE BOARD

Carlton Trail Regional College
Statement of Operations
for the year ended June 30, 2011

	Operating Fund			Capital Fund		Totals	Totals
	Budget (Note 9)	2011	2010	2011	2010	2011	2010
Revenues (Schedule 1)							
Provincial Government	$ 4,115,895	$ 4,783,774	$ 4,264,642	$ 122,829	$ 4,185,760	$ 4,906,603	$ 8,450,402
Federal Government	503,400	519,412	544,127	-	-	519,412	544,127
Other revenue	885,040	1,372,255	967,157	-	-	1,372,255	967,157
	5,504,335	6,675,441	5,775,926	122,829	4,185,760	6,798,270	9,961,686
Expenses (Schedule 2)							
Agency contracts	695,440	828,189	763,385	-	-	828,189	763,385
Amortization	-	-	-	152,559	138,846	152,559	138,846
Equipment	171,065	162,102	167,885	-	-	162,102	167,885
Facilities	407,725	372,196	335,005	-	-	372,196	335,005
Information technology	50,455	53,967	27,855	-	-	53,967	27,855
Operating (Schedule 3)	708,065	999,599	576,177	-	-	999,599	576,177
Personal services	3,513,665	4,116,737	3,841,791	-	-	4,116,737	3,841,791
	5,546,415	6,532,790	5,712,098	152,559	138,846	6,685,349	5,850,944
(Deficiency) excess of revenues over expenses	$ (42,080)	$ 142,651	$ 63,828	$ (29,730)	$ 4,046,914	$ 112,921	$ 4,110,742

The accompanying notes form an integral part of these financial statements.

Statement 3

Carlton Trail Regional College
Statement of Changes in Net Assets
for the year ended June 30, 2011

	2011				2011	2010
	Capital Fund	Operating Fund				
	Invested in capital assets	Restricted Externally	Restricted Internally	Unrestricted	**Total**	Total
Net assets, beginning of year	$ 4,937,634	$ 216,137	$ 363,394	$ 571,202	**$ 6,088,367**	$ 1,977,625
(Deficiency) excess of revenues over expenses	(29,730)	-	-	142,651	**112,921**	4,110,742
Interfund transfers						
Invested in capital assets	211,415	(128,765)		(82,650)	-	-
Internally and externally restricted	(84,429)	84,429	(53,500)	53,500	-	-
Net assets, end of year	$ 5,034,890	$ 171,801	$ 309,894	$ 684,703	**$ 6,201,288**	$ 6,088,367

Restricted details: (Note 8)

	Beginning Balance	to Net Assets	from Net Assets	Ending Balance
Internally Restricted				
Information technology	$ 21,894	$ -	$ -	$ 21,894
Innovation fund	68,500	-	68,500	-
Facilities	273,000	-	-	273,000
Vehicles	-	15,000	-	15,000
	363,394	15,000	68,500	309,894
Externally Restricted				
Humboldt Administration/Training Facility	133,953	-	46,581	87,372
Sustaining Capital Funding		84,429	-	84,429
Humboldt welding shop	82,184	-	82,184	-
	$ 579,531	$ 99,429	$ 197,265	$ 481,695

The accompanying notes form an integral part of these financial statements.

Statement 4

Carlton Trail Regional College
Statement of Cash Flows
for the year ended June 30, 2011

	2011	2010
Cash flows from (used in) operating activities		
Excess of revenues over expenses	$ 112,921	$ 4,110,742
Amortization of capital assets	152,559	138,846
	265,480	4,249,588
(Increase) decrease in accounts receivable	(57,793)	24,432
Decrease (increase) in inventories	2,895	(5,457)
(Increase) decrease in prepaid expenses	(12,374)	498
Decrease in accrued salaries and benefits	(20,807)	(19,327)
Increase (decrease) in accounts payable and accrued liabilities	94,317	(51,104)
(Decrease) increase in unearned revenue	(126,066)	432,702
Cash (used in) provided by operating activities	145,652	4,631,332
Cash flows used in investing activities		
Purchase of capital assets	(249,815)	(3,992,156)
Cash used in investing activities	(249,815)	(3,992,156)
Net increase (decrease) in cash	(104,163)	639,176
Cash, beginning of year	1,866,733	1,227,557
Cash, end of year	$ 1,762,570	$ 1,866,733

The accompanying notes form an integral part of these financial statements.

CARLTON TRAIL REGIONAL COLLEGE
Notes to the Financial Statements
for the year ended June 30, 2011

1. PURPOSE AND AUTHORITY

The Carlton Trail Regional College (College) offers educational services and programs under the authority of Section 14 of *The Regional Colleges Act*.

The Board of the Carlton Trail Regional College is responsible for administering and managing the educational affairs of the College in accordance with the intent of *The Regional Colleges Act* and its regulations.

2. SIGNIFICANT ACCOUNTING POLICIES

Pursuant to standards established by the Public Sector Accounting Board, the College is classified as a government not-for-profit organization. These financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to not-for-profit entities and include the following significant policies:

(a) Fund Accounting

The accounts of the College are maintained in accordance with the principles of fund accounting. For financial reporting purposes, accounts with similar characteristics have been combined into the following major funds:

(i) Operating Fund

The operating fund consists of those revenues and expenses relating to the general operations of the College.

(ii) Capital Fund

The capital fund reflects the unamortized capital assets of the College and the equity of the College in capital assets, after taking into consideration any associated long term debt. The capital fund consists of transfers and donations designated for capital purposes by the contributor, net of the annual amortization expense. Also included in the capital fund are the appropriations for future capital expenditures.

(b) Revenue Recognition

The College follows the restricted fund method of accounting for grants. Restricted transfers related to general operations are recognized as revenue of the operating fund in the year in which the related expenses are incurred. Transfers restricted for capital assets are recognized as revenue of the capital fund when received or receivable.

Unrestricted operating transfers are recognized as revenue of the operating fund when received or receivable. Tuition and fee revenue is recognized as the course instruction is delivered. Revenue from contractual services is recognized as the service is delivered.

(c) **Capital Assets**

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is charged on a straight-line basis over the estimated useful lives of the assets for the following terms, and is reported as an expense in the capital fund:

Buildings	20 years
Furniture and Equipment	3 to 5 years
Leasehold Improvements	Term of Lease or estimated useful life

(d) **Inventories**

Inventories are recorded at the lower of cost and net realizable value.

(e) **Use of Estimates**

These statements are prepared in accordance with Canadian generally accepted accounting principles. These principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Differences are reflected in current operations when identified.

(f) **Financial Instruments**

The College's financial instruments and their classification are as follows:

Financial Instrument	Classification
Cash and temporary investments	Held for trading
Accounts receivable	Loans and receivables
Accrued salaries and benefits	Other liabilities
Accounts payable and accrued liabilities	Other liabilities

Held for trading financial assets and liabilities are measured at fair value. Changes in the fair value are recognized in the Statement of Operations and Changes in Net Assets. Loans and receivables and other financial liabilities are measured at amortized cost. Due to their short term nature, the amortized cost of these instruments approximates their fair value.

(g) **Accounting Policy Developments**

In September 2010, the Public Sector Accounting Board approved an amendment to the introduction to the Public Sector Accounting Handbook. Effective for fiscal years beginning on or after January 1, 2012, government not-for-profit organizations are directed to use either the public sector accounting standards or public sector accounting standards for government not-for-profit organizations. The College is currently assessing the appropriateness and potential impact of the change in accounting standards on its financial statements.

3. ACCOUNTS RECEIVABLE

Accounts receivable are composed of the following:

	2011	2010
Federal Government	$ 19,183	$ 51,090
Advanced Education, Employment and Immigration	241,712	228,584
Provincial Government – other	65,993	85,496
Other	138,010	25,935
Allowance for doubtful accounts	(20,000)	(4,000)
	$444,898	$387,105

The College is exposed to credit risk from the potential non-payment of accounts receivable. The majority of the College's receivables are from the Provincial and Federal governments or have subsequently been collected therefore credit risk is minimal.

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	2011 Net Book Value	2010 Net Book Value
Land	$ 600	$ 0	$ 600	$ 600
Buildings	924,184	349,502	574,682	380,876
Construction in Progress	3,962,627	0	3,962,627	4,036,863
Furnishings and Equipment	1,432,970	1,290,028	142,942	116,534
Leasehold Improvements	1,258,327	904,288	354,039	402,761
	$7,578,708	$2,543,818	$5,034,890	$4,937,634

Construction of a new facility in Humboldt that will incorporate training and administration will take place over a two-year period. Estimated occupancy is December 2011. The total cost of the project is projected at $4,050,000.

5. CONTRACTUAL OBLIGATIONS

The College is obligated under the following lease agreements:

(a) Administration Building: A six month lease extension, expiring December 31, 2011, calls for monthly rental payments of $7,000 plus GST.

(b) Humboldt Education Centre: The joint-use Operating Agreement (three years) requires an annual maintenance fee of $34,000 per annum. A one-year lease extension expires December 31, 2011.

(c) Watrous Facility: An open-ended lease (99 years) with a one-year operating agreement expiring December 31, 2011 specifying payment of operating costs only.

(d) Equipment: The College is committed to an annual lease payment of $21,095 plus sales taxes in respect of photocopier equipment. The lease expires January 31, 2014.

(e) Wynyard Facility: A one-year lease extension expires December 31, 2011 specifying payment of operating costs only.

(f) Punnichy Facility: A one-year lease extension expires December 31, 2011 specifying payment of operating costs only.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are composed of the following:

	2011	2010
Scholarship Trust	$ 6,344	$ 5,604
Fireman Training Trust	1,726	7,962
Trade Payables	307,065	207,252
	$315,135	$220,818

7. UNEARNED REVENUE

Unearned revenue consists of transfers received to carry out specific activities in excess of the expenses incurred on those activities at the end of the fiscal year as follows:

	2011	2010
Advanced Education, Employment and Immigration	$535,027	$626,424
Other	$57,650	$92,319
	$592,677	$718,743

8. RESTRICTIONS ON NET ASSETS

The Board of Directors of Carlton Trail Regional College have placed internal restrictions on $309,894 (2010 - $363,394) of unrestricted net assets to be used for future expenditures. These internally restricted amounts are not available for other purposes without approval of the Board of Directors.

$82,650 (2010 - $13,339) was transferred from unrestricted operating funds to capital assets for the purchase of information technology equipment, vehicles, renovations and office equipment.

External restrictions consists of $171,801 (2010 - $216,137) for Humboldt Education Centre and sustaining capital funding. Welding facility upgrades completed in 2010/2011.

9. BUDGET AMOUNTS

The budget submitted with the Business Plan was prepared by Regional College management with Board approval given on May 10, 2010. Ministerial approval was received August 17, 2010.

10. RELATED PARTY TRANSACTIONS

These financial statements include transactions with related parties. The College is related to all Saskatchewan Crown Agencies such as ministries, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the College is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms.

	2011	2010
University of Saskatchewan	$ 4,208	$ 4,698
SaskTel and SaskTel Mobility	52,649	51,656
SaskPower	28,367	25,358
SaskEnergy	20,721	21,752
Saskatchewan Institute of Applied Science and Technology	682,190	379,117
Ministry of Government Services	40,091	37,920
St. Peter's College	190,988	76,531
Saskatchewan Workers' Compensation Board	6,318	14,235
Horizon School Division #205	59,800	3,699,196
Ministry of Finance	4,421	40,166
Saskatchewan Government Insurance	3,327	3,327

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

11. PENSIONS

Employees of the College participate in one of two pension plans. Teachers and other employees holding a teaching certificate participate in a defined benefit plan, the Teachers' Superannuation Plan (TSP) which is administered by the Teachers' Superannuation Commission. The Board has no financial obligation to TSP. Eligible employees contribute to TSP for their current service. No matching contribution is made by the College. The General Revenue Fund is responsible for the financial obligations of the TSP. All other employees participate through the Municipal Employees' Pension Plan (MEPP) which is a multi-employer defined benefit plan. The College's financial obligation to the MEPP is limited to making required payments to match amounts contributed by employees for current services. Pension expense for the year 2011 amounted to $174,226 (2010 - $139,801).

12. CONTINGENT LIABILITIES

In the normal course of operations, the College becomes involved in various claims and litigation. While the final outcome with respect to claims and litigation pending cannot be predicted with certainty, it is the opinion of management that their resolution will not have a material adverse effect on the College's financial position or results of operations.

13. COMPARITIVE FIGURES

Certain prior year's comparative figures have been reclassified or adjusted to conform to the current year's basis of presentation.

Schedule 1

Carlton Trail Regional College
Schedule of Operating Fund Revenues by Function
for the year ended June 30, 2011

	2011										
	General	Skills Training		Basic Education		University	Services		2011	Budget	2010
		Credit	Non-credit	Credit	Non-credit	Credit	Learner Support	Counsel	Total	(Note 9)	Total
Provincial Government											
Advanced Education, Employment and Immigration											
Operating grant	$ 2,042,003	$ -	$ -	$ -	$ -	$ -	$ 77,598	$ 128,490	**$ 2,248,091**	$ 2,240,330	$ 2,647,381
Program payments	-	1,034,555	-	338,351	-	-	20,626	-	**1,393,532**	1,522,235	1,071,452
Other	145,000	-	-	37,750	425,408	-	133,087	55,000	**796,245**	8,500	113,388
	2,187,003	1,034,555	-	376,101	425,408	-	231,311	183,490	**4,437,868**	3,771,065	3,832,221
Other Provincial	23,126	103,214	1,314	128,578	49,203	38	-	40,433	**345,906**	344,830	432,421
	2,210,129	1,137,769	1,314	504,679	474,611	38	231,311	223,923	**4,783,774**	4,115,895	4,264,642
Federal Government											
Administrative Support	-	-	-	-	-	-	-	-	**-**	-	-
Rents	8,375	-	-	-	-	-	-	-	**8,375**	495,000	9,630
Projects	-	-	-	-	(95)	-	511,132	-	**511,037**	8,400	534,497
	8,375	-	-	-	(95)	-	511,132	-	**519,412**	503,400	544,127
Other Revenue											
Admin recovery	4,209	1,724	-	-	-	-	-	-	**5,933**	9,000	25,492
Program payments		-	-	-	-	-	-	-	**-**	-	-
Contracts	-	224,085	-	39,792	122,450	-	1,440	-	**387,767**	-	35,600
Interest	21,653	-	-	-	-	-	-	-	**21,653**	25,000	11,233
Rents	10,536	2,484	-	-	-	-	138	-	**13,158**	8,000	22,140
Resale items	-	122,634	4,767	-	1,071	-	14	-	**128,486**	134,160	94,937
Tuitions	-	729,896	67,419	-	59	-	8,340	-	**805,714**	699,880	771,547
Other	2,919	5,504	-	1,121	-	-	-	-	**9,544**	9,000	6,208
	39,317	1,086,327	72,186	40,913	123,580	-	9,932	-	**1,372,255**	885,040	967,157
Total revenues	2,257,821	2,224,096	73,500	545,592	598,096	38	752,375	223,923	**6,675,441**	5,504,335	5,775,926
Total expenses (Schedule 2)	2,189,407	2,009,802	50,210	612,024	585,313	90,000	804,167	191,867	**6,532,790**	5,546,415	5,712,098
(Deficiency) excess of revenues over expenses	$ 68,414	$ 214,294	$ 23,290	$ (66,432)	$ 12,783	$ (89,962)	$ (51,792)	$ 32,056	**$ 142,651**	$ (42,080)	$ 63,828

The accompanying notes form an integral part of these financial statements.

Schedule 2

Carlton Trail Regional College
Schedule of Operating Expenses by Function
for the year ended June 30, 2011

	2011								2011	Budget (Note 9)	2010
	General	Skills Training		Basic Education		University	Services				
		Credit	Non-credit	Credit	Non-credit	Credit	Learner Support	Counsel	**Total**	Total	Total
Agency contracts	$ 29,553	$ 656,396	$ 15,688	$ -	$ 17,032	$ 90,000	$ 19,520	$ -	**$ 828,189**	$ 695,440	$ 763,385
Equipment	77,653	61,277	-	9,374	13,681	-	-	117	**162,102**	171,065	167,885
Facilities	156,300	159,791	421	47,009	6,832	-	1,843	-	**372,196**	407,725	335,005
Information technology	31,165	6,863	424	-	892	-	14,623	-	**53,967**	50,455	27,855
Operating (Schedule 3)	526,363	339,286	7,592	41,172	60,940	-	8,745	15,501	**999,599**	708,065	576,177
Personal services	1,368,373	786,189	26,085	514,469	485,936	-	759,436	176,249	**4,116,737**	3,513,665	3,841,791
	$ 2,189,407	$ 2,009,802	$ 50,210	$ 612,024	$ 585,313	$ 90,000	$ 804,167	$ 191,867	**$ 6,532,790**	$ 5,546,415	$ 5,712,098
			$ 2,060,012		$ 1,197,337			$ 996,034			

Schedule 3

Carlton Trail Regional College
Schedule of Operating Expenses
for the year ended June 30, 2011

	2011 Total	Budget (Note 9) Total	2010 Total
Advertising	$ 55,465	$ 53,800	$ 51,871
Association fees and dues	35,526	35,200	19,054
Bad debts	22,779	1,000	4,762
Financial services	8,202	1,000	6,355
In-service	(7,809)	31,800	20,755
Insurance	28,040	29,900	28,409
Materials and supplies	151,899	133,695	98,236
Postage freight and courier	19,925	36,645	20,726
Printing and copying	31,570	2,750	12,200
Professional services	252,327	64,000	45,005
Resale items	168,923	112,650	100,477
Subscriptions	2,737	5,000	1,384
Telephone and fax	54,227	53,900	51,829
Travel	136,925	125,825	91,092
Other	38,863	20,900	24,022
	$ 999,599	$ 708,065	$ 576,177

The accompanying notes form an integral part of these financial statements.